



General Assembly

February Session, 2014

Amendment

LCO No. 5584

HB0506505584HD0

Offered by:

REP. TERCYAK, 26th Dist.

SEN. HOLDER-WINFIELD, 10th
Dist.

To: Subst. House Bill No. 5065

File No. 15

Cal. No. 30

"AN ACT CONCERNING UNEMPLOYMENT COMPENSATION."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 31-3pp of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective from passage*):

5 (a) For purposes of this section:

6 (1) "Department" means the Labor Department;

7 (2) "Eligible small business" means a business that (A) employed not
8 more than one hundred full-time employees on at least fifty per cent of
9 its working days during the preceding twelve months, (B) has
10 operations in Connecticut, (C) has been registered to conduct business
11 for not less than twelve months, and (D) is in good standing with the
12 payment of all state and local taxes. "Eligible small business" shall not

13 include the state or any political subdivision thereof;

14 (3) "Control", with respect to a corporation, means ownership,
15 directly or indirectly, of stock possessing fifty per cent or more of the
16 total combined voting power of all classes of the stock of such
17 corporation entitled to vote. "Control", with respect to a trust, means
18 ownership, directly or indirectly, of fifty per cent or more of the
19 beneficial interest in the principal or income of such trust. The
20 ownership of stock in a corporation, of a capital or profits interest in a
21 partnership, limited liability company or association or of a beneficial
22 interest in a trust shall be determined in accordance with the rules for
23 constructive ownership of stock provided in Section 267(c) of the
24 Internal Revenue Code of 1986, or any subsequent corresponding
25 internal revenue code of the United States, as from time to time
26 amended, other than paragraph (3) of said Section 267(c);

27 (4) "Related person" means (A) a corporation, limited liability
28 company, partnership, association or trust controlled by the eligible
29 small business, (B) an individual, corporation, limited liability
30 company, partnership, association or trust that is in control of the
31 eligible small business, (C) a corporation, limited liability company,
32 partnership, association or trust controlled by an individual,
33 corporation, limited liability company, partnership, association or trust
34 that is in control of the eligible small business, or (D) a member of the
35 same controlled group as the eligible small business;

36 (5) "Eligible small manufacturer" means an eligible small business
37 described in sectors 31 to 33, inclusive, of the North American Industry
38 Classification System, that employed not more than one hundred
39 employees on at least fifty per cent of its working days during the
40 preceding twelve months.

41 (b) (1) There is established within the Labor Department a
42 Subsidized Training and Employment program for eligible small
43 businesses and eligible small manufacturers. Said program shall
44 provide grants to such businesses and manufacturers to subsidize, for

45 the first one hundred eighty calendar days after a person is hired, a
46 part of the cost of employment, including any costs related to training.
47 No such business or manufacturer receiving a grant under this section
48 with respect to a new employee or newly hired person may receive a
49 second grant under this section with respect to the same new
50 employee or newly hired person.

51 (2) At the discretion of the Labor Commissioner, the department
52 may use up to four per cent of any funds allocated pursuant to section
53 5 of public act 11-1 of the October special session for the purpose of
54 retaining outside consultants or the Workforce Investment Boards to
55 operate the Subsidized Training and Employment program.

56 (3) [In fiscal year 2013,] At the discretion of the Labor
57 Commissioner, the department may use up to four per cent of any
58 funds allocated pursuant to section 5 of public act 11-1 of the October
59 special session in [said] each fiscal year for the purpose of the
60 marketing, monitoring and operation of the Subsidized Training and
61 Employment program. The department shall monitor, on a schedule
62 determined by the Labor Commissioner, the outside consultants or
63 workforce investment boards that operate the Subsidized Training and
64 Employment program.

65 (c) (1) An eligible small business may apply to the department for a
66 grant to subsidize on-the-job training and compensation for a new
67 employee, where "new employee" means a person who (A) was
68 unemployed immediately prior to employment, regardless of whether
69 such person collected unemployment compensation benefits as a result
70 of such unemployment, (B) is a resident of a municipality that has (i)
71 an unemployment rate that is equal to or higher than the state
72 unemployment rate as of September 1, 2011, or (ii) a population of
73 eighty thousand or more, and (C) has a family income equal to or less
74 than two hundred fifty per cent of the federal poverty level, adjusted
75 for family size. "New employee" does not include a person who was
76 employed in this state by a related person with respect to the eligible
77 small business during the prior twelve months or a person employed

78 on a temporary or seasonal basis by a retailer, as defined in section 42-
79 371. No small business shall be eligible for a grant to subsidize on-the-
80 job training and compensation for a new employee pursuant to the
81 provisions of this section if such new employee is hired to replace a
82 worker currently employed by such small business.

83 (2) Grants to eligible small businesses under the Subsidized
84 Training and Employment program shall be in the following amounts:
85 (A) For the first thirty calendar days a new employee is employed, one
86 hundred per cent of an amount representing the hourly wage of such
87 new employee, exclusive of any benefits, but in no event shall such
88 amount exceed twenty dollars per hour; (B) for the thirty-first to
89 ninetieth, inclusive, calendar days, seventy-five per cent of such
90 amount; (C) for the ninety-first to one hundred fiftieth, inclusive,
91 calendar days, fifty per cent of such amount; and (D) for the one
92 hundred fifty-first to one hundred eightieth, inclusive, calendar days,
93 twenty-five per cent of such amount. Grants shall be cancelled as of the
94 date the new employee leaves employment with the eligible small
95 business.

96 (d) (1) An eligible small manufacturer may apply to the department
97 for a grant to be used to train and compensate persons newly hired by
98 such manufacturer. Any training shall be provided by such
99 manufacturer, and take place on such manufacturer's premises, but no
100 existing formal training program shall be required. The Labor
101 Commissioner, or said commissioner's designee, shall review and
102 approve such manufacturer's description of the proposed training as
103 part of the application.

104 (2) Grants awarded to an eligible small manufacturer pursuant to
105 this subsection shall subsidize the costs of training and compensating
106 each person newly hired by such manufacturer. In no event shall a
107 grant exceed the salary of the newly hired person. Maximum amounts
108 of each grant are: For the first full calendar month a newly hired
109 person is employed, up to two thousand five hundred dollars; for the
110 second month, up to two thousand four hundred dollars; for the third

111 month, up to two thousand two hundred dollars; for the fourth month,
112 up to two thousand dollars; for the fifth month, up to one thousand
113 eight hundred dollars; and for the sixth month, up to one thousand six
114 hundred dollars. No grant shall exceed a total amount of twelve
115 thousand five hundred dollars per newly hired person. A grant may be
116 cancelled as of the date such person leaves employment with the
117 eligible small manufacturer.

118 (e) Not later than July 15, 2012, and annually thereafter, and January
119 15, 2013, and annually thereafter, the Labor Commissioner shall
120 provide a report, in accordance with the provisions of section 11-4a, to
121 the joint standing committees of the General Assembly having
122 cognizance of matters relating to finance, revenue and bonding,
123 appropriations, commerce and labor. Said report shall include
124 available data, for the six-month period ending on the last day of the
125 calendar month preceding such report, on (1) the number of small
126 businesses that participated in the Subsidized Training and
127 Employment program established pursuant to subsection (c) of this
128 section, and the general categories of such businesses, (2) the number
129 of small manufacturers that participated in the Subsidized Training
130 and Employment program established pursuant to subsection (d) of
131 this section, and the general categories of such manufacturers, (3) the
132 number of individuals that received employment, and (4) the most
133 recent estimate of the number of jobs created or maintained.

134 (f) The Labor Commissioner may adopt regulations in accordance
135 with the provisions of chapter 54 to carry out the provisions of this
136 section.

137 Sec. 2. Section 31-3uu of the 2014 supplement to the general statutes
138 is repealed and the following is substituted in lieu thereof (*Effective*
139 *from passage*):

140 (a) For purposes of this section:

141 (1) "Department" means the Labor Department;

142 (2) "Eligible business" means a business that (A) has operations in
143 Connecticut, (B) has been registered to conduct business for not less
144 than twelve months, and (C) is in good standing with the payment of
145 all state and local taxes. "Eligible business" shall not include the state
146 or any political subdivision thereof;

147 (3) "Control", with respect to a corporation, means ownership,
148 directly or indirectly, of stock possessing fifty per cent or more of the
149 total combined voting power of all classes of the stock of such
150 corporation entitled to vote. "Control", with respect to a trust, means
151 ownership, directly or indirectly, of fifty per cent or more of the
152 beneficial interest in the principal or income of such trust. The
153 ownership of stock in a corporation, of a capital or profits interest in a
154 partnership, limited liability company or association or of a beneficial
155 interest in a trust shall be determined in accordance with the rules for
156 constructive ownership of stock provided in Section 267(c) of the
157 Internal Revenue Code of 1986, or any subsequent corresponding
158 internal revenue code of the United States, as from time to time
159 amended, other than paragraph (3) of said Section 267(c);

160 (4) "Related person" means (A) a corporation, limited liability
161 company, partnership, association or trust controlled by an eligible
162 business, (B) an individual, corporation, limited liability company,
163 partnership, association or trust that is in control of an eligible
164 business, (C) a corporation, limited liability company, partnership,
165 association or trust controlled by an individual, corporation, limited
166 liability company, partnership, association or trust that is in control of
167 an eligible business, or (D) a member of the same controlled group as
168 an eligible business;

169 (5) "New employee" means a person who (A) was unemployed prior
170 to employment with an eligible business, regardless of whether such
171 person collected unemployment compensation benefits as a result of
172 such unemployment, and (B) was a member of the armed forces and
173 was honorably discharged after not less than ninety days of service,
174 unless such person was separated from service earlier because of a

175 service-connected disability rated by the Veterans' Administration.
176 "New employee" does not include a person who was employed in this
177 state by a related person of such eligible business during any of the
178 twelve months prior to employment with the eligible business. No
179 business shall be eligible for a grant to subsidize on-the-job training
180 and compensation for a new employee pursuant to the provisions of
181 this section if such new employee is hired to replace a worker
182 currently employed by such business;

183 (6) "On-the-job training" means training provided by an eligible
184 business on such business' premise; and

185 (7) "Armed Forces" means the United States Army, Navy, Marine
186 Corps, Coast Guard and Air Force and any reserve component thereof,
187 including a state National Guard performing duty as provided in Title
188 32 of the United States Code.

189 (b) (1) There is established within the Labor Department an
190 Unemployed Armed Forces Member Subsidized Training and
191 Employment program for eligible businesses. Said program shall
192 provide grants to eligible businesses to subsidize, for the first one
193 hundred eighty calendar days after a new employee is hired, part of
194 the cost of on-the-job training and compensation for such new
195 employee, in accordance with subsection (c) of this section. No
196 business receiving a grant under this section with respect to a new
197 employee may receive a second grant under this section or a grant
198 under section 31-3pp with respect to the same new employee.

199 (2) At the discretion of the Labor Commissioner, the department
200 may use up to four per cent of any funds allocated pursuant to section
201 31-3vv for the purpose of retaining outside consultants or the
202 Workforce Investment Boards to operate the Unemployed Armed
203 Forces Member Subsidized Training and Employment program.

204 (3) [In fiscal year 2013,] At the discretion of the Labor
205 Commissioner, the department may use up to four per cent of any

206 funds allocated pursuant to section 31-3vv in [said] each fiscal year for
207 the purpose of the marketing, monitoring and operation of the
208 Unemployed Armed Forces Member Subsidized Training and
209 Employment program. The department shall monitor, on a schedule
210 determined by the Labor Commissioner, the outside consultants or
211 workforce investment boards that operate the Unemployed Armed
212 Forces Member Subsidized Training and Employment program.

213 (c) (1) An eligible business may apply to the department for a grant
214 to subsidize on-the-job training and compensation for a new employee
215 hired by such business. The Labor Commissioner, or said
216 commissioner's designee, shall review and approve such business'
217 description of the proposed on-the-job training as part of the grant
218 application.

219 (2) A grant awarded to an eligible business pursuant to this
220 subsection shall be in the following amount: (A) For the first thirty
221 calendar days a new employee is employed, one hundred per cent of
222 the wage of such new employee, exclusive of any benefits, not to
223 exceed twenty dollars per hour; (B) for the thirty-first to ninetieth,
224 inclusive, calendar days, seventy-five per cent of such amount; (C) for
225 the ninety-first to one hundred fiftieth, inclusive, calendar days, fifty
226 per cent of such amount; and (D) for the one hundred fifty-first to one
227 hundred eightieth, inclusive, calendar days, twenty-five per cent of
228 such amount. A grant shall be cancelled as of the date the new
229 employee leaves employment with the eligible business.

230 (d) Not later than July 15, 2013, and annually thereafter, and January
231 15, 2014, and annually thereafter, the Labor Commissioner shall
232 provide a report, in accordance with the provisions of section 11-4a, to
233 the joint standing committees of the General Assembly having
234 cognizance of matters relating to finance, revenue and bonding,
235 appropriations, commerce, veterans and labor. Said report shall
236 include available data, for the six-month period ending on the last day
237 of the calendar month preceding such report, on (1) the number of
238 businesses that participated in the Unemployed Armed Forces

239 Member Subsidized Training and Employment program established
240 pursuant to subsection (b) of this section, and the general categories of
241 such businesses, and (2) the number of individuals that received
242 employment under said program.

243 (e) The Labor Commissioner may adopt regulations in accordance
244 with the provisions of chapter 54 to carry out the provisions of this
245 section."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	31-3pp
Sec. 2	<i>from passage</i>	31-3uu